

WHAT CAN BE LEARNED
FROM A REVIEW OF CASES?

GRAND CORRUPTION IN NIGERIA

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ACE
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INTRODUCTION

Nigeria is a country of paradoxes. It has the highest economic ranking on the African continent, with a nominal GDP of \$443 billion, followed by Egypt: \$350 billion and South Africa: \$283 billion in 2020.¹ On the other hand, per capita income is amongst the lowest on the continent, ranking the country 17th (out of 20) in 2019.²

Nigeria also has the unenviable position of being perceived as one of the most corrupt countries in the world. Its Corruption Perceptions Index (CPI) score of 25 out of 100 places it in the bottom quartile occupied by the group of countries perceived to be the most corrupt, a position that, despite the efforts of the current administration, has not changed for years,³ although the most recent report on the country from Global Integrity,⁴ has found reasons for cautious optimism. Unfortunately, corruption, in whatever way it is defined, is a continuing characteristic of Nigerian governance and a contributor to its poor per capita income. Irrespective of how far we go back into its history, we find corruption interwoven with the public administration. The 2019 United Nation Office on Drugs and Crime (UNODC) report of corruption in Nigeria states (p.10) that 63% of respondents said corruption was common practice.⁵

Against this background corruption seems to be an inevitable 'state of nature' which reflects a kind of psychological resignation which can be found in many countries where corruption is endemic. This is not only expressed in a high level of distrust of authorities, but also in a reluctance to report corruption to the competent authorities, usually the police. "Why? Nobody cares" is the usual response, to which should be added that bribe giver and receiver are in many cases committing a consensual crime to the benefit of both.

Corruption can be based on a silent expectation: e.g. a preferential treatment and a reward later, perhaps evoked by a later reminder "you owe me a favour" or of a willingness to wait for an eventual pay-day at some point in the future. This multi-faceted mechanism of indifference and complicity can be found from petty to grand corruption. As forms and perception of petty corruption have been monitored by organisations such as TI and UNODC, this working paper will be devoted to grand corruption.

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¹ <https://www.statista.com/statistics/1120999/gdp-of-african-countries-by-country/>

² <https://www.statista.com/statistics/1121014/gdp-per-capita-of-african-countries/>

³ <https://www.transparency.org/en/cpi/2020/index/nga>

⁴ Jorge Florez, Carlos Diaz and Oludotun Babayemi (2021) How Does it Look to Put Data Use in Context: opportunities and challenges for the use of data for accountability in Nigeria, April 8th <https://www.globalintegrity.org/resource/data-use-in-context/>

⁵ UNODC Corruption in Nigeria: patterns and trends. Second survey on corruption as experienced by the population, December, 2019 <https://www.unodc.org/nigeria/en/the-national-bureau-of-statistics-in-partnership-with-the-united-nations-office-on-drugs-and-crime-launch-the-report-of-the-second-survey-on-corruption-in->

DEFINITION AND RESEARCH QUESTION

Corruption is not an inevitable 'natural phenomenon': it is the outcome of the power to make decisions that circumvent existing rules and criteria to gain an advantage (or its expectation). This is the essence of corruption or the abuse of a decision-making position as is formulated in the following definition.

Corruption is an *improbability or decay in the decision-making process* in which a decision-maker (in a private corporation or in a public service) consents or demands to deviate from the criterion, which should rule his decision making, in exchange for a reward, the promise or expectation of it.⁶

This formal definition covers corrupt misconduct in the public as well as the private sector. It covers abuse of office, but it does not cover plain fraud, embezzlement or other forms of criminal enrichments as long as these are solo-acts, for example (income) tax fraud.

The 2019 UN corruption survey of Nigeria deals mainly with corruption as "experienced by the population" by asking: did you have "at least one contact with a public official in the 12 months prior to the 2019 survey", and did you pay "a bribe to, or were asked to pay a bribe by, a public official." (p. 5). Indeed, 30% of these encounters resulted in a corrupt transaction with an average bribe size of \$52. Only 5% of the bribes exceeded \$90 (Ibid. note 6, figures 19 and 20). Usually this is called 'petty corruption' which only denotes its financial size and not the accumulated burden to the population which can be serious not only financially (relative to income) but also in terms of its moral impact.

If petty, daily bribery can be considered as the broad corrupt 'low land', arising from this are the 'peaks' of 'grand corruption'. We do not present these extremes as opposites as between them there is a moving scale. This makes it difficult to draw a line beyond which we can speak of grand corruption. Our project has used the following definition of grand corruption:

serious or large-scale perversion of a person's integrity in the performance of duty or work by bribery etc., where 'grand' refers to either the scale or the seriousness of the activity, which may include the harm it inflicts.

A proper delineation of the important element 'grand' remains problematic. Setting any financial threshold remains arbitrary: is one million dollars enough to classify a case as 'grand corruption'? But there is also another element: the connection with higher levels of political or entrepreneurial decision making. This may be more decisive because of its association with exerting influence.

While 'daily' corruption is regularly surveyed, e.g. by Transparency International or the UNODC, 'grand corruption' has not been addressed systematically. When cases have been exposed, they created a public scandal and although some culprits were convicted, others remain at large. Of the related criminal finances there are only a few glimpses of where the proceeds have gone. The aim of this paper is to shed light on the financial facets of cases of 'grand corruption' and the status of those involved.

⁶ P.C. van Duyn, Will 'Caligula go transparent?' Corruption in acts and attitude. *Forum on Crime and Society*, 2001, vol. 1, nr. 2, 73-98

METHOD OF RESEARCH

This paper is based on the project “*Hiding the beneficial owner and the proceeds of corruption*” supported by the FCDO-funded Global Integrity Anti-Corruption Evidence (ACE) Programme. The project a broader range, encompassing also what may be called ‘criminal finances’, system weaknesses and issues of beneficial ownership. As this paper focuses only on grand corruption, we do not give a full account of the complete methodology.

A major problem in doing research on corruption in Nigeria is the lack of an orderly set of quantitative data. There are data, but there are serious doubts about their reliability, validity or completeness to produce valid statistics. Moreover, they are hard to come by: some data sets are still manual while requests for data often remain unanswered. Due to differences in collection and processing, they are difficult to combine and assess. For example, there is no match between prosecution and conviction databases or between conviction and asset recovery databases. We encountered an obsolete data-management system in which nothing matches with anything. We were not alone in reaching this conclusion which underlined the impression of opaqueness, see for example GIABA Mutual Evaluation (2008⁷).

Given these methodological limitations, the following institutions are considered of interest to obtain a partial 'lining-up' of cases of 'grand corruption':

- The *Economic and Financial Crimes Commission* (EFCC). Established in 2002, they currently have no database of convictions available on their website. Their website provides a PDF “*High Profile, Oil Subsidy, Etc. Matters Being Prosecuted*” which appears to have been produced in 2015.⁸ In addition, they have produced an annual report of convictions for the years 2013 – 2016 relating to all economic crime and fraud convictions. The confiscation and recovery information cannot be connected to a database with information about perpetrators and predicate offences.⁹ The group TransparenIT refers to the numbers of convictions by the EFCC (and the ICPC) for the period January to June 2018, however, without any details.¹⁰
- The *Independent Corrupt Practices and Other Related Offences Commission* (ICPC); established in 2000. This organisation provides the following information: (1) Records of funds and properties recovered from 2006-2019; (2) A cash refund list of two pages; (3) Status of criminal and civil cases as at March 2015; and (4) update on criminal cases in various courts as at June 2020.¹¹ There is also data collection on enforcement and petitions till 2017 that were not suitable for analysis.
- The *Code of Conduct Bureau*; established in 1979. There was no database available, apart from three crude frequency tables of cases handled by the independent Code of Conduct Tribunal (and accessible from the CCB website).

⁷ The 2008 evaluation and follow up reports are available at: <https://www.giaba.org/reports/mutual-evaluation/Nigeria.html?lng=eng>. At the time of writing the 2019 Evaluation is not yet in the public domain.

⁸ The document is available at: <https://www.efccnigeria.org/efcc/images/HIGH%20PROFILE%20CASES%20BEING%20PROSECUTED%20BY%20THE%20EFCC%20FOR%20%20%20%20%20%20%20AG.pdf>. There is a further report (not on their website) of High Profile cases of corruption, financial crimes and economic sabotage being prosecuted by the Federal Government of Nigeria available at <https://media.premiumtimesng.com/wp-content/files/2017/12/Final-copy-of-the-compiled-list-of-high-profile-corruption-cases.pdf>

⁹ There is also some data on assets recovered in total that cannot be matched to cases INTERIM REPORT ON FI-NANCIAL AND ASSET RECOVERIES MADE BY THE FEDERAL GOVERNMENT OF NIGERIA FROM 29 MAY 2015 TO 25 MAY 2016; available at: <http://saharareporters.com/sites/default/files/LOOT-RECOVERY.pdf>

¹⁰ <https://transparencit.com/2018-mid-year-convictions-of-efcc-and-icpc/>

¹¹ These are available at <https://icpc.gov.ng/downloads/>

We also looked at the *Nigerian Financial Intelligence Unit* (NFIU) for details of filed reports of the financial institutions concerning Political Exposed Persons (PEPs). The NFIU has recently produced a report for 2019 (the last prior report being for 2015 in which it complained about the banks' "indifference to compliance with AML/CFT laws" (p. 16)).¹² These reports confine themselves to statistics about numbers of suspicious transactions and of currency transaction reports submitted but without further analysis or case details. The most recent *National Risk Assessment Report* (2016) twice refers to PEPs but with no mention of 'grand corruption'. The tables on corruption, money laundering, cash recovery or currency smuggling (tables 1.1-1.5 and 1.24) revealed low frequencies or were too unspecific to give a lead for further analysis. The validity of some statements are questionable. For example, where the NFIU criticised the "indifference" of the financial institutions, the Risk Assessment Team judged that "*banks have adequate and appropriate AML monitoring and STR reporting systems*" (ibid., p. 88).

A descriptive source of information is an annual report issued by the foundation Human Environmental Development Agenda (HEDA) called a *Compendium of 100 High-profile Corruption Cases in Nigeria*. The first edition was issued in 2018, followed by a second one in 2019.¹³ The impetus for their work had been to raise public awareness of the court delays around cases involving high profile individuals. Their case selection (derived from the EFCC or ICPC documents or from other sources) had, therefore, been based upon high profile corruption cases brought to court during the last decade involving (1) public officers and (2) 'substantial' sums. We note that we cannot say anything about the relationship between these selected 100 cases and the totality of all known cases. However, as these cases largely overlap with those listed by the EFCC we are reasonably confident that they are a representative sample of detected grand corruption cases.

Summary data from the 2019 HEDA report indicated that for the overwhelming majority of the cases, the major prosecuting agency is the EFCC (89) against 5 from the ICPC.¹⁴ Almost half of the cases had been first filed in court during or prior to 2015, with the first in 2005. According to the HEDA classification, the most frequently mentioned offences were fraud (40) and money laundering (28), followed by corruption (11) and bribery (2). It should be noted that fraud and money laundering are the criminal qualifications mentioned by the EFCC, but money laundering may materially concern a range of predicate offences, while fraud may denote abuse of office as well as tampering with contracts.

FINDINGS

To facilitate our analysis, we have compiled a single source datasheet that combines all information currently available by name of the main suspect using the HEDA case number attached to 2018 report, updating for both the 2019 and 2020 versions. The case information has been supplemented by that extracted from the EFCC, ICPC and CCB together with news reports. The excel sheet 'cases of grand corruption' includes the source information for the tables and narrative contained within this paper and is available separately.

¹² All reports are available at <https://www.nfiu.gov.ng/Home/AnnualReport>

¹³ Our analysis is based on these two version of the report, although a 2020 report was produced in November 2020 and can be accessed at <https://hedang.org/wp-content/uploads/2020/12/2020-Compendium.pdf>

¹⁴ Two cases were prosecuted by the CCT, one by SPIPRPP (Special Presidential Investigation Panel for Recovery of Public Property) and there was no information available for the other 3.

A. RECENT HISTORY

According to Akindola and Ehinomen (2017),¹⁵ in its first 50 years the Nigerian political landscape was characterised by much turmoil: four republics, four juntas (some only after a palace coup) and the war of secession of the Igbos in the south-east of the country. For two periods, the country was under military rule: from 1966-1979 and from 1983-1999.

The first military dictatorship condoned much abuse of power, that was seemingly 'corrected' by the General and President Obasanjo (1975-1979) who ended this military regime. Such a correction consisted frequently in dismissing the predecessor's cronies and replacing them by one's own. Obasanjo made strong statements against corruption but his rule was accompanied by lack of transparency in financial management: allegedly a part of an IMF loan went missing for this reason, which was a bad beginning for his elected successor President Shagari (1979-1983) heading the second republic.¹⁶ Though the new president promised much, the military was not convinced of his effectiveness and staged another coup, led by General Muhammadu Buhari. As a stern ascetic and stoic man of strict moral rules he promised to "crack-down on corruption" and in addition launched a "War Against Indiscipline" propped up by draconian punishments with little regards for civil and human rights.¹⁷

Buhari's war against corruption and indiscipline (1983 to 1985) was followed by Babangida's longer rule of cronyism and widespread corruption (1985 to 1993).¹⁸ Though a return to democracy was planned with elections to be held in 1993, Babangida annulled the elections before the official results were announced. After the following civil turmoil Babangida handed control of the country to an Interim Civil Government which did not solve the crisis whereupon General Abacha overthrew it in a bloodless coup.

Abacha was an experienced putschist, having participated in many of the previous coups. He secured his position by imposing an authoritarian police state. Abacha is particularly known because of the execution of the human rights activist Ken Saro-Wiwa¹⁹ and of his grand theft of some \$2.5 billion (although this figure does change) from the state coffer: his National Security Adviser withdrew the money from the Central Bank, brought it to Abacha's house from where it was transferred abroad in bank accounts in the name of friends and relatives. The loot ended up in numerous bank accounts in Jersey (Chanel Islands), Switzerland, Liechtenstein and the USA. The restoration of these funds is still on-going.²⁰

¹⁵ Military Incursion, Tribalism and Poor Governance: The Consequences for Development in Nigeria R.B. Akindola and C.O. Ehinomen. Mediterranean Journal of Social Sciences Vol 8 No 5 September 2017

¹⁶ <https://allafrica.com/stories/201412070115.html>

¹⁷ <https://www.nytimes.com/1984/08/10/world/nigeria-s-discipline-campaign-not-sparing-the-rod.html>. Nigerians were ordered to queue for the bus stop, encouraged with (threat of) whiplashed by soldiers <https://dawodu.com/siollun3.htm>.

¹⁸ <http://saharareporters.com/2006/08/26/trail-babangida%E2%80%99s-billions>

¹⁹ See Why Nigerian activist Ken Saro-Wiwa was executed, DW Africa 9th November, 2015 available at <https://www.dw.com/en/why-nigerian-activist-ken-saro-wiwa-was-executed/a-18837442>

²⁰ See Sani Abacha - the hunt for the billions stolen by Nigeria's ex-leader, BBC News 28th January 2021 available at <https://www.bbc.co.uk/news/world-africa-54929254>

More recently, Goodluck Jonathan (2010-2015), oversaw what was described by Ocheje (2018: 367)²¹ as “probably the most corrupt government ever to take charge of affairs in Nigeria”. Large sums of money proved to be missing, in which the Nigerian National Petroleum Corporation (NNPC) played a central role. In 2003, the Governor of the Central Bank reported that the NNPC failed to remit \$20 billion whereupon he was dismissed. A Senate commission then determined that only \$1.48 billion was missing. However, two accounting firms, Deloitte and PwC confirmed in their report that the real amount is \$20 billion, which was released just before the exit of the government in 2015. His successor, Muhammadu Buhari, made the fight against corruption a top-priority including within his ‘own house’.

This brief overview suggests that abuse of office is a red thread through Nigerian recent history. Staggering amounts of money have been dissipated, but we know little about the ways these illicit funds were managed. Nor can we comment on the existence of either implicit or explicit international facilitation. We catch a few glimpses when we see pictures of fabulous mansions and read about high-end properties acquired in places such as London, Dubai or New York. What follows is an attempt to set out our understanding of some of the patterns of grand corruption.

B. GRAND CORRUPTION AND ABUSE OF OFFICE: AN OVERVIEW

By its nature the landscape of grand corruption is characterised by opportunism and chaos. This is apparent from the 100 grand corruption cases selected by the HEDA²² Compendia with all the implied caveats: its purpose is to raise awareness amongst the public, politicians and law enforcement of the many high-profile cases that have for years been lingering in the courts. The cases were not summarised in any standardised way, and were determined by what data was in the public domain. Some descriptions were very short, based on petitions of concerned citizens and still had to commence; others were long and detailed, with full names (first names, family names) and many other personal details.

From these reports, we removed dismissed/acquitted cases, deaths before conviction, and cases with a serious lack of information. This left us with a list of 60 cases, some of which had been sentenced but with many shown as pending. In terms of identified proceeds (Naira) the lowest figure mentioned was embezzlement of ₦ 16,412,315 (approximately US\$ 105k) in 2012²³; the highest ₦ 300,000,000,000 also embezzlement in 2015 (approx. US \$1.5bn).²⁴ In nine cases, foreign currency figures were mentioned with a range from \$500,000 to \$2.1 billion with other sums in Sterling. It is not clear whether the sums of money indicate damage or personal criminal revenue. For example, a number of cases refer to diversion of funds to support election campaigns. In cases with multiple offenders there is usually no division of the sums between the co-offenders. Also, given the status of most criminal procedures, the amounts of money mentioned are often pre-trial estimates.

The categorisation of the main variables and characteristics is based on the content of the summaries, clustering the many varieties of office holders or the type of offence. Of the office holders we classified them by the ‘position’ they had at the time of offending. Apart from Ministers we put office holders in the federal administration in the category ‘Central Administration’. Military staff (officers) were put together in the category ‘military’ and judges and policemen in the category ‘law enforcement’.

²¹ Ocheje, P.D. Norms, law and social change: Nigeria’s anti-corruption struggle, 1999–2017. *Crime Law Soc Change* 70, 363–381 (2018). <https://doi.org/10.1007/s10611-017-9736-9>

²² <https://hedang.org/> This analysis is based on those compendia from 2018 and from 2019.

²³ Subsequent to our analysis this case has been discharged.

²⁴ Subsequent to our analysis this case has been removed from the 2020 version of HEDA.

TABLE 1: TYPE OF CRIME AND TYPE OFFICE HOLDER

CRIME TYPE CATEGORY	EMBEZZLEMENT / MISAPPROPRIATION / DIVERSION / DISAPPEARANCE	CORRUPTION	MONEY LAUNDERING	FRAUD (INCL. FUEL SUBSIDY)	SUM
Governors	12	5	6	1	24
Ministers	0	1	3	4	8
Senators	1	0	1	1	3
Cent. Admin	1	1	2	0	4
Directors	4	0	1	2	7
Military	1	0	0	2	3
Law Enforcement	2	1	0	0	3
Oil Position	0	0	0	4	4
Political Party	1	0	0	0	1
Elect. Com	0	1	0	0	1
Accountant	0	0	0	1	1
Media	0	0	0	1	1
Totals	22	9	13	16	60

As can be observed in Table 1 more than a third of the cases concerned the embezzlement, diversion (including procurement abuse), disappearance or misappropriation of funds. Governors were the largest group of offenders mainly accused of being involved in this broad range of property crimes in which the money was diverted to another destination or as cash taken for personal use. A quarter of the indicted governors were charged with money-laundering. Fraud is the second largest category with a flat distribution of occurrence over the types of office holders. One would expect 'corruption' as the most frequently mentioned offence type. But this category is thinly spread over many cases over a long-time span. As above, only the mention of fraud stood out, its occurrence spread with low frequencies over the office holder's categories. Many of these cases concerned the abuse of contracts. It may be that prosecutors select the charge that they are most confident will produce a conviction. Otherwise, this breakdown does not lead to further generalisations.

From a criminological perspective it is of interest to find out whether the alleged abuses have been a solo-undertakings or have been committed in concert with accomplices. In Table 2 we have summarised the number of co-offenders. The EFCC mentioned the names of natural and legal persons arraigned, of which we took only the natural persons. In ramified cases we could not assure whether all suspects were mentioned, providing further reason for caution in interpretation.

TABLE 2: NUMBER OF SUSPECTS PER CATEGORY OF OFFENDER

CASES PER CATEGORY	N SUSPECT PER CASE											TOTAL N CASES
	1	2	3	4	5	6	9	10	11	12	25	
Governors	11	3	6	2							1	23
Ministers	1		2	2	2							7
Senators	1	1		1								3
Cent. Admin	1	2		1								4
Directors	1			1		1	1	1	2			7
Military		1	1	1								3
Law	1	2		1								4
Oil Position			3							1		4
Pol. Party		1										1
Elect. Com			1									1
Accountant			1									1
Media		1										1
Total	16	11	14	9	2	1	1	1	2	1	1	59
Missing Values												1

The figures presented in Table 2 must again be interpreted with caution, as the EFCC may be selective in its reporting of involved co-offenders. In 15 cases the charges concerned only one suspect, in the majority of the cases two to four suspects were mentioned as arraigned with the main suspect. In ten cases there was a co-offending of five persons or more. The data do not support a supposedly general broad network of collaborating high office holders, some who may be pulling strings. Yes, these also exist as we will demonstrate below, but single perpetrators and small groups seem to dominate this set of grand corruption cases. In four cases relatives were mentioned as accomplices: mainly wives and sons acting as front figures for a shell corporation, for example for laundering purposes or to put a contract in his or her name. In the other cases with multiple suspects, the cooperation was based on professional friendship or a hierarchical relationship within the same office: for example, the comptroller who is tasked to withdraw money from the bank and pass the bags with cash to his superior, various times in his own house.

The next question is whether there is a relationship between the number of cooperating suspects and the amount of money involved. The comparison of the number of suspects and the sums of money at stake is presented in Table 3.

TABLE 3: TYPE OF CRIME AND TYPE OFFICE HOLDER

N. CASES	N. SUSPECTS	TOTAL ₦ ²⁵	RANGE LOWEST	RANGE HIGHEST	MEDIAN	TOTAL FOREIGN CURRENCY IN \$
16	1	510,418,822,786	0	300,000,000,000	5,750,000,000	\$29.8m ²⁶
11	2	21,276,412,315	0	7,600,000,000	1,600,000,000	\$1.3m ²⁷
13	3	61,435,300,000	0	21,000,000,000	1,575,000,000	\$12.0m ²⁸
9	4	51,427,000,000	0	29,000,000,000	925,000,000	\$21.0m ²⁹
2	5	4,700,000,000	0	4,700,000,000	2,350,000,000	\$115.0m ³⁰
1	6	2,600,000,000	2,600,000,000	2,600,000,000	2,600,000,000	0
1	9	6,500,000,000	6,500,000,000	6,500,000,000	6,500,000,000	0
1	10	5,200,000,000	5,200,000,000	5,200,000,000	5,200,000,000	0
2	11	5,479,000,000	479,000,000	5,000,000,000	2,739,500,000	0
1	12	1,900,000,000	1,900,000,000	1,900,000,000	1,900,000,000	0
1	25	100,000,000,000	100,000,000,000	100,000,000,000	100,000,000,000	0

As can be observed from the range values, the largest financial damage was attached to cases involving the smallest number of perpetrators. Because governors were the most frequently mentioned suspects, we looked at the governors who were mentioned as operating alone. Proceeds involved ranged from ₦ 211.3 million from a case commenced in 2011 against the former governor of Ogun State to ₦ 300 billion in a case commenced in 2015 against the former governor of Borno State. This was not all: the EFCC also wanted to know *“how he raised \$72million to buy a G650 Gulfstream aircraft after leaving office in 2011. The Politician has at least two private jets.”* To this the EFCC also accused the governor of *“benefiting from \$200 million released by the former President Jonathan administration to facilitate Boko Haram ceasefire in a neighbouring country in 2014 Aside these (sic), Sheriff was also presented with records of monies shared ahead of the 2015 general elections.”*³¹ Whether and to what extent the \$200 million were embezzled or only partly raked off is not mentioned. Suffice it to state that this office holder was at the higher levels of the pyramid of public fund skimmers. Later he decamped to the ruling APC. We found no further information about the status of his case which appears to be ‘pending’.

²⁵ Only the data for the Naira proceeds is included in this table; if the lowest amount shown is 0, then proceeds would have only been identified in \$ or £.

²⁶ Three cases included FX, one for \$20m, one for \$9.8m together with £74k and one case for £0.4m.

²⁷ Two cases include FX, one for \$0.5m and the other \$0.8m.

²⁸ Single case Martin Elechi, former state Governor Eboni State.

²⁹ Single case Diezani Alison Madueke, former Petroleum Minister.

³⁰ Single case Muktar Shagari former Water Resources Minister and linked to Diezani Alison Madueke.

³¹ <https://www.mynigeria.com/NigeriaHomePage/NewsArchive/EFCC-grills-former-Borno-governor-Ali-Modu-Sheriff-172128>

The subset of four suspects per case, includes the National Security Advisor to the President Jonathan, Sambo Dasuki, and the erstwhile Petroleum Minister known for her extravagant thriftless spending: Diezani Alison Madueke. But both actors seem to fragment the quantitative picture, as they also figured in numerous cases as co-offenders, distributing (campaign) funds, to the main defendants in other criminal cases. Dasuki was mentioned in six other case descriptions for handing out substantial sums of money to governors and other high office holders to influence the 2015 elections. The same applies to Alison-Madueke, who appeared to have a similar role in four other cases. These figures will be discussed in a later section.

Though these examples illustrate some quantitative aspects of abusive administration, they do not allow much generalisation: the cases with only one suspect had the highest total combined damage or profits. In their turn, they were all eclipsed by the case in which 25 suspects allegedly participated *“to fleece Rivers State to the tune of ₦ 100 billion between 2004 and 2007”* (Compendium 2019; p. 45). But other cases were also exemplary for other subjects, such as the involvement of the military, money laundering, acquired proceeds or family involvement. As a matter of fact, there is no other ordering dimension but a manifold of opportunities for grand corruption, which can be found at the federal, state and local level. In the next section we will discuss a selection of grand corruption cases at various levels of the administration.

GRAND CORRUPTION AT THE CENTRES OF POWER

At first sight it seems obvious to start with the top level of grand corruption and then go down the ladder of seriousness. That looks like a clear linear approach, but with endemic elite level grand corruption there is no such thing as ‘linear scaling’ of cases that would allow for a clear demarcation of seriousness. We selected four cases which could be considered as being of national importance: an election at state level; a serious military case; a pension scam and the famous case against the Petroleum Minister.³²

³² Also see Abdullahi Y Shehu ‘Nigeria the way through corruption to the well-being of a people’ National Open University of Nigeria ISBN 978-978-949-485-9, September 2015

A. THE (RE-)ELECTION CONNECTION WITH CORRUPTION IN ITS TAILS

Apart from democratic values, elections of representative bodies are not only a (re)distribution of the political landscape, but is also a matter of income: the position in one of the representative bodies is much coveted because of their high revenues. The same applies to the elected governors of the states and the office holders nominated by them. The salaries are relatively low, in 2020: the basic salary is ₦ 2,223,705 (approximately \$5,852), however with added allowances for the use of cars and other facilities this is raised to a total package worth ₦ 1,540,896 (approximately \$30,371). A deputy's package is ₦ 10,772,296 (approximately \$28,348). Nevertheless, this places them in the upper quartile for distribution of salaries within Nigeria.³³ The question is whether getting these positions result from a competitive, transparent and fair democratic procedure or are rather manipulated by powerful persons in the background.

Literature draws attention to the operation within Nigeria of patronage (Acemoglu, Ticci and Vindigni, 2006 and 2011)³⁴ of political clientelism (Omobowale and Olutayo, 2011)³⁵ and of 'godfatherism' (Oviasuyi, 2012).³⁶ Oviasuyi connects godfatherism to money-based politics and within the Nigerian context, the term 'godfather' is used to denote a wealthy individual who binds followers to their sphere of influence by furthering political careers. The political godfather does not need to wield official power as ruling by proxy would be enough. The relationship between a benefactor and the receiver of favours in exchange for loyalty is essential.

The godfathers form the elite determining access to the country's wealth. In Nigeria, this access has been formalised by arranging a formal power sharing in terms of a rough division of positions. Thus, the president and the vice-president should not both come from the north or south. Moreover, each state has the right to an equal proportion of officials in the ministries, departments and agencies (Veenendaal and Demarest, 2020, p. 12).³⁷ Political parties have the function to ensure their constituency access to 'their' share of public employment and other revenues. For this purpose, they do not need much ideological baggage.

³³ Average Salary in Nigerian 2021: Salary explorer, <http://www.salaryexplorer.com/salary-survey.php?loc=158&loctype=1>

³⁴ Acemoglu, D., Ticchi, D., and Vindigni, A. (2006). Emergence and persistence of inefficient states. National Bureau of Economic Research Working Paper Series, No. 12748.; Acemoglu, D., Ticchi, D., and Vindigni, A. (2011). Emergence and persistence of inefficient states. Journal of the European Economic Association, 9(2):177–208

³⁵ Political Clientelism and Rural Development in South-Western Nigeria published online by Cambridge University Press: 19 May 2011 Ay kunle Olumuyiwa m b wale and Akinlu lanrewaju Olutay

³⁶ Oviasuyi, Patrick 2012, Impact of Godfatherism on Nigerian Politics and Administration: Anambra and Oyo States Experiences Educational Research Quarterly (Research Gate)

³⁷ Wouter Veenendaal & Leila Demarest (2020) How population size affects power-sharing: a comparison of Nigeria and Suriname, Contemporary Politics, DOI: 10.1080/13569775.2020.1855739

This state of affairs is rife with abuse: godfathers must optimise their 'war chest' to support their candidates. The methods are the inflated contracts or obtaining other private rents from their office as a kind of "shared norm among elites" (Joseph, 1987; cited by Veenendaal and Demarest, 2020, p.12) or a simple dip in the coffer, as was the case in Sokoto State, 2015.³⁸ Is godfatherism important for our narrative of grand corruption? There remains a deficit of empirical information and fact collecting is difficult, as in general identified godfathers prefer to deny their role.

For example, Godswill O. Akpabio, the erstwhile Governor of Akwa-Ibom (southern Nigeria) is considered a godfather, who played an important role in the PDP.³⁹ In 2015, he was twice invited by the EFCC to respond to accusations of corruption and fraud to the amount of ₦ 108 million, which he denied. He defected to the APC and became senator and later minister under President Buhari. After that nothing was heard of this case, despite questions from the Socio-Economic Rights and Accountability Project (SERAP) on August 4, 2019. "but if anyone wants to say that I am a godfather, I want to disagree with him." Nevertheless, his previous assistant, Onofio Luke, now fallen out with Akpabio, and speaker of the State House of Assembly, spoke freely about Akpabio's manipulations, such as offering him ₦ 4.2 million and a deputy governorship for switching party. Indeed, godfatherism matters in a corrupt landscape.⁴⁰

In a previous section we mentioned the involvement of Sambo Dasuki and Petroleum Minister Diezani Alison Madueke in the financing of the intended re-election of the former president Goodluck Jonathan. From the unaccounted funds held by Dasuki, payments were made for the Jonathan re-election campaign: ₦ 400 million was received by Metuh, spokesman of the PDP; ₦ 2.1 billion went to Dokpesi's Lagos based DAAR Communication and Aziboala, cousin of the former president Jonathan and; ₦ 2.2 billion were used for the election of Fayose (PDP) as governor of Ekiti State, which we will discuss further in the next section. Despite all the money channelled into the re-election war chest of the PDP, Jonathan was beaten by Buhari in what was considered a fair contest.

In the Ekiti election, which Jonathan considered important, the PDP candidate Fayose defeated the APC candidate Fayemi. Both the APC and PDP offered respectively ₦ 5,000 and ₦ 4,000 to voters whom they visited at their homes carrying with them bags of cash. We are left wondering why at that time the person of Goodluck Jonathan is missing as a suspect, although assets have been recovered from his wife Patience. After all, the dragging around of bags with billions of naira was done on behalf of his re-election. Should he be considered the godfather behind these schemes?⁴²

³⁸ Ex-governor of Sokoto State, Bafarawa, in 2018, complained to the EFCC that after the expiration of his term in 2007 there was some ₦ 13.5 billion in the state coffers, while his successor Wamako claimed this sum was missing. The latter was in charge of Buhari's re-election campaign in Sokoto State and is accused of mismanaging the sale of iron rods to the value of 1 billion (HEDA Compendium 2019, p. 51).

³⁹ Peoples Democratic Party is one of the two main political parties in Nigeria, the other is the APC, All Progressives Congress.

⁴⁰ Nigeria election 2019: How 'godfathers' influence politics, Mayeni Jones, Nigeria correspondent, BBC News Published 4 February 2019, <https://www.bbc.com/news/world-africa-47089372>

⁴¹ Ekiti vote buying: Rewarding emerging electoral fraud with victory Punch, July 22nd, 2018 <https://punchng.com/ekiti-vote-buying-rewarding-emerging-electoral-fraud-with-victory/>. For a broader discussion see Akinde Sunday Israel and Micah, Damilola John (2020) Vote-buying Enterprise and Voting Behaviour among Electorate: Evidence from Southern Nigeria, *Journal of Education, Society and Behavioural Science* 33(10): 15-24; Article no.JESBS.53134 ISSN: 2456-981X

⁴² Four years later on both accused by the Nigerian Government but there has not yet been any formal charge, see, <https://www.cfr.org/blog/nigerian-government-accuses-jonathan-accepting-bribes-while-president>, May 16th 2019.

B. MILITARY CONSPIRACIES OF GREED

If the (re-)election theme is suitable to cluster a considerable number of grand corruption cases it still does not provide a strict demarcation as it can overlap with a broader category: that of obvious greed. This is important, but not a revelation: corrupt party financing and actors personally getting a ride on the same gravy train is a predictable conduct. This was the case in a large circle of military suspects who were involved in an ever-extending abuse of office. They were high-ranking officers, many of whom supported Jonathan (and have been nominated by him) in his re-election campaign. The financial support was not financed by the military themselves but taken from an 'extra-budgetary intervention'. Transparency International (2018)⁴³ noted the vulnerability of the cash 'security vote' that created discretionary spending pots without need for accountability, referring to them (ibid p. 4) as

"budgetary black boxed that are ripe for abuse by politicians seeking re-election or officials looking to run for political office".

Various circumstances furthered the emergence and continuation of this grand corruption. In the first place there was little oversight. In the second place the NSA⁴⁵ usurped the Ministry of Defence's procurement authorities. In the third place the need to take on the insurgency group Boko Haram resulted in a blank cheque policy: when Dasuki took over he could disregard procurement rules. Thus, he could procure equipment without tenders, competition or even without contracts.

The grand corruption may have remained undetected, because the powerful military, having ruled the country from 1966 till 1999, still enjoyed near immunity. However, the failed fight against Boko Haram, that outgunned the badly equipped and demoralised military, brought the scam to light. The new president, having campaigned on an anti-corruption policy, demanded a full investigation by a panel of enquiry. The results revealed a broad pattern of fraud and abuse. The so-called 'Armsgate' scandal identified theft of at least \$2.1 billion and probably far more, over the period 2007 to 2015 through use of fake contracts for military equipment that failed to materialise.⁴⁵ Following publication of the findings from the panel, the EFCC accused Dasuki "of compromising the security of the nation and committing economic sabotage through his alleged diversion of over 32 billion Naira meant for the purchase of arms meant to fight terrorists in the North-East".⁴⁶

Continued investigation resulted in numerous additional arrests, of which the group comprising former Chief of Air Staff Air Marshall (retd.), Adesola Amosu Air Vice Marshal J.B. Adigun and Air Commodore O. Gbadebo Olugbenga is of interest. Among others, Amosu procured second-hand helicopters at a highly inflated price of \$ 136 million and which should have cost about \$ 30 million. Having no rotor blades they proved to be useless anyhow.⁴⁷ This group of soldiers diverted ₦ 3.6 billion belonging to the Nigerian air force for their own use, purchasing property in both London and Lagos Island. At the time of writing the trial against Amosu and his accomplices is still going on while property and assets valued at ₦ 2.7 billion have been forfeited.

⁴³ Transparency International (2018) *Camouflaged Cash: how security votes fuel corruption in Nigeria*, Matthew Page, May

⁴⁴ National Security Adviser.

⁴⁵ Nigeria's Armsgate Scandal World Peace Foundation Compendium cases <https://sites.tufts.edu/corruptarmsdeals/nigerias-armsgate-scandal/>

⁴⁶ <http://saharareporters.com/2016/01/16/efcc-dasuki-used-arms-cash-buy-assets-london-dubai>

⁴⁷ Court orders final forfeiture of ex-air chief Amosu's N2.7 billion to Nigerian government, Ben Ezeamalu, Premium Times, January 16, 2019, <https://www.premiumtimesng.com/news/more-news/306077-court-orders-final-forfeiture-of-ex-air-chief-amosus-n2-7-billion-to-nigerian-government.html>

Unfortunately, there is no comprehensive validated report of all the findings, of either the Panel or the EFCC investigations but what has been brought to the surface is telling. After the democratisation, the military has remained a powerful and apparently opaque organisation. To the ex-general and head of state (from the APC party), Buhari, this arms scandal offered a suitable opportunity for a drastic shake-up: ten officers, holding the rank of Major General, nine Brigadier Generals, six Colonels, twelve Lieutenant Colonels and one Major were compulsorily retired “on the grounds of professional misconduct during the 2015 general elections, as well as involvement in the \$2.1 billion arms procurement scandal”.⁴⁸ According to a Premium Times investigation in this clean-up there were indications of partisan procedures and evident support for the PDP which appeared to have contributed to removal.

C. GRAND CORRUPTION IN PENSION SCHEMES: ‘A CAN OF WORMS’

Pension funds have historically been at risk of abuse by senior managers simply because they can provide an accessible source of finance for a failing business: for example, Robert Maxwell and the Mirror Group in the UK.⁴⁹ According to Agbata *et al.* (2017, p. 182) since 2005, various scandals have come to light: between 2005 and 2011 ₦ 273 billion has been looted from the pension funds.⁵⁰ For example, the EFCC arrested the Director General of the Pension Transitional Arrangement Directorate and her three accomplices for misappropriating and embezzling ₦ 2.5 billion (ibid. p 182). The authors also highlight an often-used scheme to enlist ‘brigades’ of ‘ghost pensioners’ to siphon off money from the pension funds.⁵¹ The EFCC indicated that top public servants: directors and heads of service, were involved, but also, lower staff such as clerks, made sure to get their piece of the pie.

Complaints from pensioners about delays in pension payments led in 2010 to an EFCC investigation. It started with the detection of two ghost pensioners in the account of the Office of the Head of Civil Service of the Federation (OHCSF) and soon 66 more illegally operated accounts were detected. Given these ominous indications of foul play the president approved the head of the Civil Service of the Federation to appoint Mr. Maina to run the affairs of the department as acting Chairman of the Pension Reform Task Force Team (PRTT). This team was to clear the backlogs

⁴⁸ SPECIAL REPORT: *How Nigerian Army violated own rules, sacked officers for not helping APC*, Taiwo-Hassan Adebayo, Premium Times, August 11, 2016, <https://www.premiumtimesng.com/news/headlines/208459-special-report-how-nigerian-army-violated-own-rules-sacked-officers-for-not-helping-apc.html>

⁴⁹ <https://moneyweek.com/505757/great-frauds-in-history-robert-maxwell>

⁵⁰ Amaka E. Agbata, Chizoba M. Ekwueme and Edirin Jeroh (2017) the anatomy of pension fraud in Nigeria: its motives, the management and future of the Nigerian pension scheme *Ekonomski horizonti* 19 (3), 179 - 191

⁵¹ Also see Nigeria spends \$175 million on ‘ghost’ pensioners, Reuters October 28th, 2011 <https://www.reuters.com/article/ozabs-nigeria-ghostworkers-20111028-idAFJOE79R03C20111028>

At first the reports of Maina's team were rejoicing: it mentioned the removal of over 71 thousand ghost pensioners leading to a saving of over Naira 2 billion in payments.⁵² However, the Senate remained concerned and established a Joint Committee to tour the country in order to be directly informed. At the end of the tour, March 2012, an Assistant Chief Accountant in the Police Pension Office, Mr Toyin Ishola blew the whistle: Maina was alleged to have mismanaged ₦ 21 billion pension money. Indeed, his functioning was characterised by duplicity. On the one hand he discovered pension scams with many top-brass involved, but on the other hand he squandered the money of the Police Pension Office, in particular by gross violation of procurement rules, e.g. inflating contracts for biometric enrolment and payment of bogus allowances for work that may or may not have been carried out.⁵³ After many accusations and counter accusations, the EFCC arranged six leading figures in addition to Maina.

The aftermath of Maina's arrest, escape, return, escape and final extradition is telling for the drive in the fight against grand corruption. After his interrogation by the Senate Joint Committee, 2013, Maina did not wait for his arrest but fled the country. In November, 2015, the EFCC declared Maina wanted, but he remained at large. Then in June 2016, Maina was back in the office, stating that the alleged missing ₦ 195 billion was found back in the state's coffers (Treasury Single Account) and that he was cleared by the Senate. He said he deserved an apology. He then disappeared again till October 2017, when he was spotted on the government's payroll: the Ministry of Interior appeared to have reinstalled the wanted man and promoted him to director – to the embarrassment of both the Minister and of the president with the latter promptly ordering Maina's immediate dismissal.⁵⁴ Maina was finally brought before the court in December, 2020, and the case is currently on-going.

D. DIEZANI ALISON-MADUEKE

Mrs. Diezani Alison-Madueke is the former Minister for Petroleum Resources under Goodluck Jonathan who oversaw Nigeria's state-owned oil company. She was able to use her influence to direct a subsidiary of the Nigerian National Petroleum Corporation to award contracts to shell companies (created in Nigeria) that were owned by existing business associates (Kolawole Akanni Aluko and Olajide Omokore) in return for substantial bribes. From Nigeria, the proceeds of those illicitly awarded contracts were then laundered through companies (and banks) in the BVI, Switzerland, the US and the UK. In the US and the UK, the proceeds were used for the successful purchase of various assets, including extensive property in London, a \$50 million condominium located in one of Manhattan's most expensive buildings – 157 W. 57th Street. They were also used to purchase the Galactica Star, an \$80 million yacht that was built in the Netherlands.⁵⁵

⁵² Maina uncovered monumental fraud as pension boss, witness tells court, Vanguard, March 1st, 2021 <https://www.vanguardngr.com/2021/03/maina-uncovered-monumental-fraud-as-pension-boss-witness-tells-court/>

⁵³ Pension fraud: Maina's dirty deals, 29th October 2017, the Sun News online, <https://www.sunnewsonline.com/pension-fraud-mainas-dirty-deals/>

⁵⁴ Full story of the 'pension thief' who served in Buhari's government, Jude Egbas Pulse October 23, 2017, <https://www.pulse.ng/news/local/maina-full-story-of-the-pension-thief-who-served-in-buharis-government/z087tl6>

⁵⁵ Harvey, J, Bello A, Doig, A, van Duyne, PC, Gonul, S, van Koningsveld, J, Shehu, A, Sittlington, S, Sproat, P, Turner, S and Ward, T, (2020) *Tracking Beneficial Ownership and the Proceeds of Corruption: Evidence from Nigeria*, Interim Project Report, Northumbria University, Newcastle, November. Also see US Department of Justice, Friday July 14th, 2017, *Department of Justice Seeks to Recover Over \$100 Million Obtained From Corruption in the Nigerian Oil Industry* <https://www.justice.gov/opa/pr/department-justice-seeks-recover-over-100-million-obtained-corruption-nigerian-oil-industry>

We have already mentioned that Alison-Madueke appears in connection with four cases discussed in the HEDA compendia in connection with the diversion of funds to support the re-election campaign of the former President Jonathan. Although given her lavish lifestyle it seems more likely that she did not use all the money from bribes to further Jonathan's cause. As noted already both she and Jonathan have been accused by the Nigerian Government of "plotting to receive bribes and make a secret profit" in connection with papers filed as part of the OPL 245 case.⁵⁶

At the end of her term, she may have sensed the dark clouds gathering over her if Buhari defeated her patron Jonathan and would unfold his anti-corruption programme. It is perhaps by way of precaution that in May 2015, she persuaded the Dominican president to provide her with a diplomatic passport for the title of Trade and Investment Commissioner, which gave her a diplomatic immunity status.⁵⁷

THE 'LANDING' OF THE LOOT OF GRAND CORRUPTION

The final question concerns the volume of the accrued assets from corruption and the abuse of position. Methodologically we face here serious shortcomings in terms of accuracy and validity. The cases we took from the Compendia were not finalised which means that the defendants could still challenge the whole or part of the charge of the prosecution as well as the amount of the money involved. Moreover, some case descriptions mentioned the damage to the state and not the illegal revenues, or where there were multiple offenders, each share of the 'loot' was not indicated.

It is appropriate to point out another caveat: it is virtually impossible to understand precisely what assets have been recovered by either the EFCC or the ICPC as few reported figures seem to reconcile and amounts recovered differ depending on which report you look at. Apart from disclosure to the newspapers (particularly by the EFCC), we conclude there is no public record of assets recovered. As earlier stated, sums that are mentioned are usually initial estimates, often deliberately over-stated to be 'headline grabbing', not the actual proceeds recovered to the government once the asset has been disposed of. Nevertheless, by way of illustration we present the financial summaries of the main culprits of grand corruption in the "Dasuki", the "Amosu gate", the pension scam of Maina and the oil scam of Alison based on what we can surmise from press sources.

1. DASUKI AND CO-OFFENDERS

In this case ₦ 13.570 ml was distributed to politicians and cronies with enough retained to fund the purchase of property. The EFCC identified four properties with a value of ₦ 620 million. There is no specification whether this concerns the purchase price or the estimated current value. There was a separate mention of property in London and Dubai, but no further details. Equally unspecified were the sums transferred to two firms for "organised prayers": ₦ 1.45 billion and ₦ 750 million. Most money was spent on the 2015 PDP presidential election campaign: with some ₦ 2.1 billion withdrawn from the NSA account with the Central Bank.⁵⁸

⁵⁶ Nigeria says ex-president and his oil minister took bribes: court filing Libby George, Reuters May 10th, 2019 <https://www.reuters.com/article/us-nigeria-oil/nigeria-says-ex-president-and-his-oil-minister-took-bribes-court-filing-idUSKCN1SG21U>; Nigerian Government Accuses Jonathan of Accepting Bribes While President, Blog Post by John Campbell, May 16, 2019, Council on Foreign Relations <https://www.cfr.org/blog/nigerian-government-accuses-jonathan-accepting-bribes-while-president>

⁵⁷ Does a diplomatic visa offer immunity to arrest? Lateef Sanni, June 23, 2020, <https://dubawa.org/does-a-diplomatic-visa-offer-immunity-to-arrest/>. Also see How \$2.2 million New York apartment purchase raised questions over Diezani's Dominican diplomatic status, Abdulaziz Abdulaziz, December 27, 2019, *Premium Times*, <https://www.premiumtimesng.com/news/headlines/370058-how-2-2-million-new-york-apartment-purchase-raised-questions-over-diezani-s-dominican-diplomatic-status.html>

⁵⁸ Court papers show how ex-NSA Dasuki allegedly shared N13.6bn arms money to cronies, politicians, Sani Tukur December 14th, 2015, *Premium Times*, <https://www.premiumtimesng.com/news/headlines/195173-court-papers-show-how-ex-nsa-dasuki-allegedly-shared-n13-6bn-arms-money-to-cronies-politicians.html>

2. AMOSU, AND CO-OFFENDERS

The top staff of the military (Air Marshall Adesola Amosu (rtd), Air Vice Marshall Jacob Adigun and Air Commodore Gbadebo Olugbenga) diverted some ₦ 21.5 bn through eight limited liability companies (also arraigned), the EFCC seized a total of 29 properties as interim forfeiture in 2018 although the case remains 'pending':

- Amosu: returned ₦ 2.3 billion (apparently voluntarily) and 11 assets were confiscated including 4 properties estimated at ₦ 433 million.
- Adigun: 12 landed properties were seized with no value stated⁵⁹ although a separate report indicated a value of ₦ 9.6 billion⁶⁰ including a block of 12 service flats and a quarry
- Gbadebo: forfeited assets that included a fish farm (₦ 10 million) a poultry farm (₦ 20 million) and a school.

3. MAINA

Based on Maina's confiscated computer and other information tools the EFCC observed Maina had widespread financial interests. Property was acquired in Nigeria, Dubai, UAE and USA.

- Dubai: assets identified included a company transportation business with over 50 cars, a villa and a cleaning services business in the name of his wife.
- Nigeria: Various Nigerian Bank accounts opened in the names of his relatives (sometimes without their knowledge) and companies to which he could be linked that received deposits of about "₦ 183 million and \$323,396 between 2014 and 2017" and "Maina had a total inflow of over ₦ 2.7 billion between 2010 and 2013, with 95 per cent of the deposits being in cash. It was discovered that Faizal Abdullahi's Account (his son), had a turnover of over ₦1.5 billion in less than a year."⁶¹
- Nigeria: 23 properties subject to interim forfeiture order⁶² but with no details over value.

⁵⁹ N21.4bn Fraud: Air Force Chief Forfeits Multibillion Naira Assets to FG, This Day, May 10th, 2020 <https://www.thisdaylive.com/index.php/2020/05/10/n21-4bn-fraud-air-force-chief-forfeits-multibillion-naira-assets-to-fg/>

⁶⁰ EFCC seizure of 29 properties from three ex-air force chiefs reveals the height of corruption in the military, Michael Nwakalor, June 27th, 2016, Ventures, <https://venturesafrica.com/efcc-seizure-of-29-properties-from-three-ex-air-force-chiefs-reveals-height-of-corruption-military/>

⁶¹ Maina's N1b assets seized October 11, 2019, Yusuf Alli, *The Nation*, <https://thenationonline.net/mainas-n1b-assets-seized/>

⁶² Court orders temporary forfeiture of 23 assets linked to Maina October 22nd, 2019, Ikechukwu Nnochiri, *Vanguard* <https://www.vanguardngr.com/2019/10/breaking-court-orders-temporary-forfeiture-of-23-assets-linked-to-maina/>

4. ALISON-MADUEKE

- Permanent forfeiture of 2,149 pieces of jewellery and a customised gold iPhone; worth \$40 million⁶³
- ₦ 23,5 bn and \$ 5million in various Nigerian bank accounts
- Property in Nigeria: worth between £5.5 million and £17 million⁶⁴
- Properties in London: (i) £ 1.73 million property sold for £ 2.8 million before the court order; (ii) Hampstead: property sold for £ 5,85 million also before the court order; (iii) three further properties in London collectively valued at £11.5 million, two of which were sold for £5.5 million before action could be taken.
- Property in New York: A \$50 million Condominium in Manhattan and an \$80 million Yacht.⁶⁵

CONCLUSIONS

The aim of this paper was to shed light on the financial facets of cases of 'grand corruption'. We situated our findings within the broader background of military rule and mis-governance. We think the most persistent obstacle to fighting corruption is the pervasive opaqueness in the information management of public agencies. The databases we aimed to analyse were mostly incomplete and did not connect to other databases, in short: nothing matches with anything. Mostly, the databases were not in the public domain and only crude frequency tables were published and not consistently every year, so that a proper timeline of the development of the fight against abuse of position in general or corruption could not be drawn. Was the fight against corruption intensified after Buhari became president? Or did he merely speed up the prosecution of his political opponents? There are no figures that enable us to answer this question.

Our analysis shows that abuse of position for profit is not necessarily a masterminded broad conspiracy. In roughly half of the abuse cases the suspects operated alone or with one accomplice, though we must again caution in view of the many caveats in the methodology. But as the EFCC usually lists all the co-offenders in every case, the 16 solo-abusers is a plausible observation, the more as it is connected to the highest criminal income or damage: ₦ 510 billion with a median of ₦ 5.75 billion.

Apart from greed as the obvious drive, the coffers of the state were also plundered for political gains, mainly to win the election for president or governor. This requires much cash to be distributed to potential voters. Sacks with cash were literally dragged from house to house to convince voters to cast the desired ballot. The money for this campaigning was acquired by a diversion of funds by the National Security Advisor and the Petroleum Minister if not the president himself.

⁶³ Court orders permanent forfeiture of Diezani's N14.5 billion assets, September 10th, 2019, Bamidele Samuel Adesoji, *Nairametrics*

⁶⁴ Nigerian court seizes 56 houses linked to ex-oil minister Diezani Alison-Madueke Sky news 12th October, 2017, <https://news.sky.com/story/nigerian-court-seizes-56-houses-linked-to-ex-oil-minister-diezani-alison-madueke-11077348>

⁶⁵ US Department of Justice, Friday July 14th, 2017, Department of Justice Seeks to Recover Over \$100 Million Obtained From Corruption in the Nigerian Oil Industry <https://www.justice.gov/opa/pr/departments-justice-seeks-recover-over-100-million-obtained-corruption-nigerian-oil-industry>

In this contest for high political positions patronage or 'godfatherism' plays an important role. To maintain influence there must be an ongoing access to various funds to dole out money or other incentives to bolster up loyalty. The hesitant prosecution may be related to this Nigerian godfatherism which does not only protect top down, but also bottom-up by the community of supporters which in its turn protects the local 'baron' against the prosecution by the anti-graft agencies. Thus in 2019, in Kano state during the investigation and trial of the ex-governor, the EFCC officers hardly escaped being lynched by the furious locals protecting 'their' governor and keeping the officers hostage in their office (Compendium, 2019; p. 27). Protecting or not-protecting may be decisive in elections as was the case in the Ekiti state election, or other steps in one's career.

Patron-client ties are the cement of social-political relationships, but they are not stable and may not survive the reduction of 'protection capacity' due to a diminishment of power after a lost election. So many PDP governors, facing serious corruption charges, changed sides and joined the APC party of Buhari. It is an indication of the prevalence of political patronage over ideology and party programs in politics. Whether such changing of part, as with Sheriff, influenced the prosecution process would be a valid research question.

Addressing the phenomenon of patronage is important for another reason: it saps the determination of fighting corruption because the accompanying introduction of public bookkeeping and transparency dilutes the informal 'fatherly' power. While nobody will declare to be against fighting corruption, the continued insidious spread of patronage will lead to halfway measures leaving the influence of the godfathers untouched.

Being an influential patron in the region or country, implies a lot of spending to keep up appearance and buy loyalty. This entails that not all the diverted funds are personal 'net income': part of it flows unseen back to the own constituency. As the cases summarised by HEDA show this still leaves enough money for direct personal enrichment of astonishing dimensions which has to be laundered. How much and in what ways? Unsurprisingly there is insufficient data to answer the question of the extent of laundering. Concerning the ways of laundering we were surprised to find little sophistication in disguising the criminal revenues. In most cases the cash money was placed in bank accounts in the name of a direct relative or close friend. Subsequent follow-up transactions, such as buying property, were also in the name of relatives or friends with little concern about risks of the financial traces to these frontmen/women. In a small number of cases companies were also created although it is not always clear the extent to which these were designed specifically to disguise ownership or as straightforward investments. Are these demonstrations of carelessness or a justified gamble with a non-transparent administration? At any rate, even if we take account of lavish spending to maintain the loyalty of retainers and to win an election, there still remains an unspecified gap between the estimated damage and the value of the assets that can be identified for forfeiture. The size of that gap remains a subject for speculation as long as there is no up to date financial and law enforcement transparency. Grand corruption has many roots, but opacity is the main condition in which it thrives.